



**Community Progress Council, Inc.**

**Financial Statements and  
Supplementary Information**

June 30, 2025 and 2024



# Community Progress Council, Inc.

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June 30, 2025 and 2024

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## Independent Auditor's Report

To the Board of Directors  
Community Progress Council, Inc.  
York, Pennsylvania

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of Community Progress Council, Inc. (the Council), which comprise the statement of financial position as of June 30, 2025 and 2024, and the related statements of activities, changes in net assets, functional expenses - by natural classification, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Council as of June 30, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Council and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

## **Responsibilities of Management for the Financial Statements (continued)**

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Council's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Council's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

## **Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information, as listed in the table of contents, including the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the accompanying supplementary information, including the schedule of expenditures of federal awards, is fairly stated, in all material respects, in relation to the financial statements as a whole.

## **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 6, 2026 on our consideration of the Council's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Council's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Council's internal control over financial reporting and compliance.

RKL LLP

January 6, 2026  
York, Pennsylvania

# Community Progress Council, Inc.

## Statement of Financial Position

	June 30,	
	2025	2024
<b>Assets</b>		
<b>Current Assets</b>		
Cash	\$ 415,975	\$ 334,409
Accounts receivable	1,325,588	1,607,898
Promises to give	-	20,445
Prepaid expenses	183,416	176,853
<b>Total Current Assets</b>	<b>1,924,979</b>	<b>2,139,605</b>
<b>Property and Equipment, Net</b>	<b>984,700</b>	<b>1,136,919</b>
<b>Other Assets</b>		
Restricted cash	335,566	421,723
Right-of-use assets - operating leases	266,025	372,098
<b>Total Other Assets</b>	<b>601,591</b>	<b>793,821</b>
<b>Total Assets</b>	<b>\$ 3,511,270</b>	<b>\$ 4,070,345</b>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 229,156	\$ 538,691
Refundable advances	401,400	218,637
Accrued payroll and payroll taxes	285,370	236,888
Current portion of operating lease liability	109,228	104,612
<b>Total Current Liabilities</b>	<b>1,025,154</b>	<b>1,098,828</b>
<b>Long-Term Liabilities</b>		
Operating lease liability	160,724	269,951
<b>Total Liabilities</b>	<b>1,185,878</b>	<b>1,368,779</b>
<b>Net Assets</b>		
Without donor restrictions	1,989,826	2,259,398
With donor restrictions	335,566	442,168
<b>Total Net Assets</b>	<b>2,325,392</b>	<b>2,701,566</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 3,511,270</b>	<b>\$ 4,070,345</b>

See accompanying notes.

**Community Progress Council, Inc.**

## Statement of Activities

	Year Ended June 30, 2025		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>Support and Revenue</b>			
Grant revenue	\$ 12,192,306	\$ -	\$ 12,192,306
Contributions	125,601	238,950	364,551
In-kind contributions	250,247	-	250,247
Other income	79,313	-	79,313
Net assets released from restrictions	345,552	(345,552)	-
<b>Total Support and Revenue</b>	<u>12,993,019</u>	<u>(106,602)</u>	<u>12,886,417</u>
<b>Expenses</b>			
Program services	11,272,179	-	11,272,179
Supporting services			
Management and general	1,865,681	-	1,865,681
Fundraising	132,059	-	132,059
<b>Total Expenses</b>	<u>13,269,919</u>	<u>-</u>	<u>13,269,919</u>
<b>Deficiency of Support and Revenue over Expenses</b>	(276,900)	(106,602)	(383,502)
<b>Gain on Sale of Property and Equipment</b>	<u>7,328</u>	<u>-</u>	<u>7,328</u>
<b>Changes in Net Assets</b>	<u>\$ (269,572)</u>	<u>\$ (106,602)</u>	<u>\$ (376,174)</u>

**Community Progress Council, Inc.**

## Statement of Activities (continued)

	<b>Year Ended June 30, 2024</b>		
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>Support and Revenue</b>			
Grant revenue	\$ 18,454,701	\$ -	\$ 18,454,701
Contributions	318,408	170,445	488,853
In-kind contributions	301,263	-	301,263
Other income	86,425	-	86,425
Net assets released from restrictions	126,935	(126,935)	-
<b>Total Support and Revenue</b>	<b>19,287,732</b>	<b>43,510</b>	<b>19,331,242</b>
<b>Expenses</b>			
Program services	17,215,197	-	17,215,197
Supporting services			
Management and general	1,794,852	-	1,794,852
Fundraising	120,851	-	120,851
<b>Total Expenses</b>	<b>19,130,900</b>	<b>-</b>	<b>19,130,900</b>
<b>Excess of Support and Revenue over Expenses</b>	<b>156,832</b>	<b>43,510</b>	<b>200,342</b>
<b>Loss on Sale of Property and Equipment</b>	<b>(107,237)</b>	<b>-</b>	<b>(107,237)</b>
<b>Changes in Net Assets</b>	<b>\$ 49,595</b>	<b>\$ 43,510</b>	<b>\$ 93,105</b>

**Community Progress Council, Inc.**

## Statement of Changes in Net Assets

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>Net Assets at June 30, 2023</b>	\$ 2,209,803	\$ 398,658	\$ 2,608,461
Changes in net assets	<u>49,595</u>	<u>43,510</u>	<u>93,105</u>
<b>Net Assets at June 30, 2024</b>	2,259,398	442,168	2,701,566
Changes in net assets	<u>(269,572)</u>	<u>(106,602)</u>	<u>(376,174)</u>
<b>Net Assets at June 30, 2025</b>	<u>\$ 1,989,826</u>	<u>\$ 335,566</u>	<u>\$ 2,325,392</u>

**Community Progress Council, Inc.**

Statement of Functional Expenses - by Natural Classification

	Year Ended June 30, 2025								
	Program Services					Supporting Services			
	Head Start/ Early Head Start	Pre-K Counts	Women, Infants, and Children	Rental Assistance	Other Programs	Total Program Services	Management and General	Fundraising	Total
Salaries and wages	\$ 4,006,094	\$ 215,860	\$ 1,111,057	\$ -	\$ 876,469	\$ 6,209,480	\$ 932,406	\$ 89,383	\$ 7,231,269
Employee benefits and payroll taxes	1,373,368	77,896	364,085	-	240,850	2,056,199	271,002	21,245	2,348,446
Repairs and maintenance	200,241	-	27,108	-	233,926	461,275	15,793	-	477,068
Rent	285,160	-	60,571	-	103,480	449,211	18,335	-	467,546
Contracted services	640	-	10,674	60,000	120,300	191,614	257,073	-	448,687
Food	321,276	19,383	-	-	549	341,208	17	32	341,257
Supplies	169,706	1,639	64,357	-	58,988	294,690	13,189	530	308,409
Enrollment costs	-	-	-	-	220,419	220,419	-	-	220,419
Advertising	13,660	-	37,552	-	15,259	66,471	151,382	238	218,091
Staff development	115,433	8,090	11,173	-	25,813	160,509	22,363	662	183,534
Utilities	66,686	616	38,604	-	59,219	165,125	4,791	-	169,916
Depreciation	67,824	12,711	53,445	-	29,035	163,015	-	-	163,015
Specific assistance	-	-	38,100	-	98,913	137,013	-	-	137,013
Computer software and support	45,078	79	159	-	962	46,278	66,644	4,812	117,734
Insurance	68,446	4,124	14,845	-	9,226	96,641	8,260	-	104,901
Professional services	-	-	-	-	12,546	12,546	71,488	-	84,034
Transportation	43,453	670	16,146	-	6,479	66,748	1,296	7,558	75,602
Reproduction expense	17,052	229	5,235	-	7,167	29,683	9,463	-	39,146
Miscellaneous	-	-	-	-	28,505	28,505	6,165	-	34,670
Dues and memberships	8,940	-	50	-	39	9,029	7,459	7,599	24,087
Equipment purchases and maintenance	-	-	4,472	-	10,786	15,258	7,292	-	22,550
Real estate taxes	21,031	-	-	-	-	21,031	-	-	21,031
Translation services	10,372	21	151	-	7,440	17,984	-	-	17,984
Postage	447	-	3,492	-	983	4,922	1,263	-	6,185
Parent activity	5,303	-	-	-	-	5,303	-	-	5,303
Internet	-	-	-	-	2,022	2,022	-	-	2,022
Interest	-	-	-	-	-	-	-	-	-
	<u>\$ 6,840,210</u>	<u>\$ 341,318</u>	<u>\$ 1,861,276</u>	<u>\$ 60,000</u>	<u>\$ 2,169,375</u>	<u>\$ 11,272,179</u>	<u>\$ 1,865,681</u>	<u>\$ 132,059</u>	<u>\$ 13,269,919</u>

**Community Progress Council, Inc.**

Statement of Functional Expenses - by Natural Classification (continued)

	Year Ended June 30, 2024								
	Program Services					Supporting Services			
	Head Start/ Early Head Start	Pre-K Counts	Women, Infants, and Children	Rental Assistance	Other Programs	Total Program Services	Management and General	Fundraising	Total
Salaries and wages	\$ 3,988,655	\$ 251,707	\$ 1,013,852	\$ 217,790	\$ 658,721	\$ 6,130,725	\$ 1,231,017	\$ 77,046	\$ 7,438,788
Employee benefits and payroll taxes	1,290,509	40,208	306,164	55,758	218,540	1,911,179	266,728	19,378	2,197,285
Repairs and maintenance	255,576	660	27,868	2,073	45,182	331,359	919	-	332,278
Rent	439,333	-	61,039	-	2,025	502,397	12,337	-	514,734
Contracted services	27,135	-	13,161	346,920	39,363	426,579	44,053	-	470,632
Food	258,125	11,190	-	-	-	269,315	477	166	269,958
Supplies	406,538	4,183	48,112	4,516	66,930	530,279	14,592	50	544,921
Enrollment costs	-	-	-	-	191,452	191,452	-	-	191,452
Advertising	-	-	228,650	186,289	24,582	439,521	24,663	520	464,704
Staff development	140,118	113	9,501	29,208	24,400	203,340	11,509	5,445	220,294
Utilities	80,664	1,102	31,051	2,599	59,454	174,870	5,505	-	180,375
Depreciation	84,348	11,895	39,797	-	38,480	174,520	-	-	174,520
Specific assistance	-	-	22,363	5,310,842	92,008	5,425,213	-	-	5,425,213
Computer software and support	86,917	3,711	108	35,271	3,638	129,645	74,394	8,312	212,351
Insurance	84,263	5,909	12,569	5,325	8,061	116,127	7,626	-	123,753
Professional services	-	-	-	27,025	-	27,025	60,422	-	87,447
Transportation	60,822	887	12,822	12	6,119	80,662	1,131	7,051	88,844
Reproduction expense	13,347	335	8,686	1,803	7,400	31,571	7,900	-	39,471
Miscellaneous	-	-	-	18,200	-	18,200	5,817	-	24,017
Dues and memberships	8,779	-	-	-	404	9,183	13,226	2,575	24,984
Equipment purchases and maintenance	1,296	-	13,244	2,987	4,973	22,500	10,922	301	33,723
Real estate taxes	20,599	-	-	-	-	20,599	-	-	20,599
Translation services	10,985	1	-	-	7,009	17,995	-	-	17,995
Postage	534	-	2,520	4,891	1,159	9,104	1,476	7	10,587
Parent activity	17,114	-	-	-	-	17,114	-	-	17,114
Internet	4,535	-	-	-	-	4,535	-	-	4,535
Interest	-	-	-	116	72	188	138	-	326
	<u>\$ 7,280,192</u>	<u>\$ 331,901</u>	<u>\$ 1,851,507</u>	<u>\$ 6,251,625</u>	<u>\$ 1,499,972</u>	<u>\$ 17,215,197</u>	<u>\$ 1,794,852</u>	<u>\$ 120,851</u>	<u>\$ 19,130,900</u>

See accompanying notes.

**Community Progress Council, Inc.**

## Statement of Cash Flows

	Years Ended June 30,	
	2025	2024
<b>Cash Flows from Operating Activities</b>		
Changes in net assets	\$ (376,174)	\$ 93,105
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities		
Depreciation	163,015	174,520
(Gain) loss on sale of property and equipment	(7,328)	107,237
Amortization of right-of-use assets - operating leases included in rent expense	106,073	102,621
(Increase) decrease in assets		
Accounts receivable	282,310	(456,953)
Promises to give	20,445	37,108
Prepaid expenses	(6,563)	(23,272)
Increase (decrease) in liabilities		
Accounts payable	(287,609)	104,807
Refundable advances	182,763	(7,286,133)
Accrued payroll and payroll taxes	48,482	(42,216)
Operating lease liability	(104,611)	(100,761)
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>20,803</b>	<b>(7,289,937)</b>
<b>Cash Flows from Investing Activities</b>		
Capital expenditures	(35,747)	(397,214)
Proceeds from sale of property and equipment	10,353	34,364
<b>Net Cash Used in Investing Activities</b>	<b>(25,394)</b>	<b>(362,850)</b>
<b>Net Decrease in Cash</b>	<b>(4,591)</b>	<b>(7,652,787)</b>
<b>Cash at Beginning of Year</b>	<b>756,132</b>	<b>8,408,919</b>
<b>Cash at End of Year</b>	<b>\$ 751,541</b>	<b>\$ 756,132</b>
<b>Cash is Comprised of the Following on the Statement of Financial Position</b>		
Cash	\$ 415,975	\$ 334,409
Restricted cash	335,566	421,723
	<b>\$ 751,541</b>	<b>\$ 756,132</b>
<b>Supplementary Cash Flows Information</b>		
Interest paid	\$ -	\$ 326

**Community Progress Council, Inc.**

Statement of Cash Flows (continued)

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**Supplementary Schedule of Noncash Investing and  
Financing Activities**

**In 2024**

Accounts payable includes \$21,926 of capital expenditures.

## **Community Progress Council, Inc.**

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### Notes to Financial Statements

June 30, 2025 and 2024

#### **Note 1 - Nature of Operations**

Community Progress Council, Inc. (the Council), a Pennsylvania nonprofit corporation, was established to provide assistance to low and moderate income individuals and families in York County, Pennsylvania. The Council operates a variety of programs, including but not limited to Head Start and Early Head Start; Pre-K Counts; Women, Infants, and Children; Rent Assistance; Foster Grandparents; Work Ready; Housing Counseling and Education; Wrap Around Child Care; Self-Sufficiency and Outreach and Referral Programs. The Council's programs are funded by various federal, state, and local grants and private donations. The Council's primary source of support and revenue is grant revenue.

#### **Note 2 - Summary of Significant Accounting Policies**

A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements follows.

##### **Use of Estimates**

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and the disclosure of contingent assets and liabilities, if any, at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

##### **Basis of Accounting**

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with U.S. GAAP. Under the accrual basis, support and revenue are recognized when earned and expenses are recognized when incurred.

##### **Restricted Cash**

Restricted cash represents cash subject to donor-imposed stipulations that is restricted for a specified purpose (refer to Note 10).

##### **Accounts Receivable**

Accounts receivable are stated at amounts management expects to collect on balances outstanding at year-end. If collection becomes doubtful, an allowance for credit losses will be established, or the accounts will be charged to revenue when that determination is made by management. Management regularly evaluates individual accounts based on past experience, aging of the receivables, adverse situations that may affect a customer's ability to pay, current economic conditions, and other relevant factors. Unpaid balances remaining after the stated payment terms are considered past due. Recoveries of previously charged off accounts receivable are recorded to revenue when received. At June 30, 2025 and 2024, the Council considers all accounts receivable to be fully collectible and no credit losses are expected. As such, no allowance for credit losses was recorded.

## **Community Progress Council, Inc.**

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### Notes to Financial Statements

June 30, 2025 and 2024

#### **Note 2 - Summary of Significant Accounting Policies (continued)**

##### **Promises to Give**

Promises to give are stated at outstanding balances. Promises to give are recognized when the Council is notified of the promises. The Council considers promises to give to be fully collectible. If collection becomes doubtful, an allowance for uncollectible promises to give will be established, or the accounts will be charged to income when that determination is made by management. Unpaid balances remaining after the stated payment terms are considered past due. Recoveries of previously charged off promises to give are recorded when received. At June 30, 2025 and 2024, the Council considers all promises to give to be fully collectible. As such, no allowance for uncollectible promises to give was recorded.

As of June 30, 2024 promises to give consisted of United Way allocation funding. The due date of promises to give as of June 30, 2024 was less than one year. There were no promises to give as of June 30, 2025.

##### **Property and Equipment**

Property and equipment are stated at cost, if purchased, and at the fair value, if contributed. Depreciation is computed using the straight-line method of accounting over the estimated useful lives of the assets or the lease term, whichever is shorter, as follows: buildings and improvements, ten to forty years; vehicles and equipment, five to ten years; and leasehold improvements, three to five years. Land is not depreciated. Maintenance, repairs, and minor renewals which do not significantly improve or extend the lives of the respective assets are charged to operations when incurred.

Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as support without donor restrictions, unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as support with donor restrictions.

In some cases, the government will fund fixed asset purchases to be used in conjunction with government-funded programs. These fixed assets are capitalized at cost and depreciated using the straight-line method over the estimated useful life. The government could require that these assets be returned to them at the cessation of the program or denial of a contract up for renewal.

The Council's policy is to capitalize property and equipment of \$5,000 or more.

##### **Long-Lived Assets**

Long-lived assets are reviewed for impairment whenever events or circumstances indicate that the carrying amount of the assets may not be recoverable. An asset is considered to be impaired when the undiscounted estimated net cash flows to be generated by the asset are less than the carrying amount. The impairment recognized is the amount by which the carrying amount exceeds the fair value of the impaired asset. Fair value estimates are based on assumptions concerning the amount and timing of the estimated future cash flows and discount rates reflecting varying degrees of perceived risk. The management of the Council concluded that no impairment adjustments were required during the years ended June 30, 2025 and 2024.

**Note 2 - Summary of Significant Accounting Policies (continued)**

**Right-of-Use Assets and Liabilities**

The Council records leases in accordance with Accounting Standards Codification Topic 842, *Leases*, which requires that most leases be recognized on the statement of financial position as a right-of-use (ROU) asset representing the right to use an underlying asset and a lease liability representing the obligation to make lease payments over the lease term, measured on a discounted basis.

The Council determines if an arrangement is or contains a lease at inception, which is the date on which the terms of the contract are agreed to, and the agreement creates enforceable rights and obligations. A contract is or contains a lease when (i) explicitly or implicitly identified assets have been deployed in the contract and (ii) the Council obtains substantially all of the economic benefits from the use of that underlying asset and directs how and for what purpose the asset is used during the term of the contract. The Council also considers whether its service arrangements include the right to control the use of an asset.

The Council made an accounting policy election available under Topic 842 not to recognize ROU assets and lease liabilities for leases with a term of 12 months or less. For all other leases, ROU assets and lease liabilities are measured based on the present value of future lease payments over the lease term at the commencement date of the lease. The ROU assets also include any initial direct costs incurred and lease payments made at or before the commencement date and are reduced by any lease incentives. To determine the present value of lease payments, the Council made an accounting policy election available to non-public companies to utilize a risk-free borrowing rate, which is aligned with the lease term at the lease commencement date.

Future lease payments may include fixed rent escalation clauses or payments that depend on an index (such as the consumer price index), which is initially measured using the index or rate at lease commencement. Subsequent changes of an index and other periodic market-rate adjustments to base rent are recorded in variable lease expense in the period incurred. Residual value guarantees or payments for terminating the lease are included in the lease payments only when it is probable they will be incurred.

**Net Assets**

Net assets of the Council and changes therein are classified and reported as follows:

Net assets without donor restrictions - Net assets that are not subject to donor-imposed stipulations.

Net assets with donor restrictions - Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Council and/or the passage of time or must be maintained permanently by the Council.

**Note 2 - Summary of Significant Accounting Policies (continued)**

**Revenue Recognition**

**Contributions**

The Council recognizes contributions when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met.

All contributions are considered to be available for operations unless specifically restricted by the donor. Amounts received that are restricted by the donor for future periods or for specific purposes are reported as support with donor restrictions that increases that net asset class. However, if a restriction is fulfilled in the same time period in which the contribution is received, the Council reports the support as without donor restrictions.

**Grants**

Grant revenue deemed to be a contribution is classified as with donor restrictions when received or receivable. Such grant revenue is not deemed to be in respect of exchange transactions since the proceeds thereof are non-reciprocal, unconditional, and voluntary.

The Council also receives grant revenue, which is deemed to be in respect of exchange transactions and is classified as revenue without donor restrictions or deferred revenue, as appropriate, when received or receivable. Such grant revenue is not deemed to be a contribution since the proceeds thereof are used to pursue objectives of the grantor.

**Donated or Contributed Investments, Services, or Materials**

Donated or contributed investments, services, or materials meeting the criteria for recognition, are reflected in the financial statements as in-kind contributions at their estimated value on the date of receipt. Contributed professional services are recognized if the services received (a) create or enhance long-lived assets or (b) require specialized skills, which are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. Contributions of tangible assets are recognized at the fair value when received.

**Advertising Costs**

Advertising costs are expensed as incurred.

**Functional Allocation of Expenses**

The cost of providing the Council's various programs and supporting services have been summarized on a functional basis in the statement of activities and statement of functional expenses - by natural classification. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Supporting services consist of management and general and fundraising expenses. Expenses require allocation on a reasonable basis that is consistently applied. Expenses are generally allocated on the basis of estimates of time and effort.

## Community Progress Council, Inc.

### Notes to Financial Statements

June 30, 2025 and 2024

#### Note 3 - Tax-Exempt Status

The Council is a not-for-profit entity described in Section 501(c)(3) of the Internal Revenue Code (Code) and is exempt from income taxes on related activities pursuant to 509(a) of the Code. In addition, it was organized under the Pennsylvania Nonprofit Corporation Law and is exempt from state income taxes.

U.S. GAAP requires management to evaluate tax positions taken by the Council, including whether the entity is exempt from income taxes. Management evaluated the tax positions taken and concluded that the Council had taken no uncertain tax positions that require recognition or disclosure in the financial statements. Therefore, no provision or liability for income taxes has been included in the financial statements. With few exceptions, the Council is no longer subject to income tax examinations by the U.S. Federal, state, or local tax authorities for years before June 30, 2022.

#### Note 4 - Concentrations of Cash and Credit Risk

At times during the years ended June 30, 2025 and 2024, the Council's cash balances may have exceeded the federally insured limit of \$250,000.

The Council's contracts are generally with government agencies, and a majority of its revenue is derived from these sources. For the years ended June 30, 2025 and 2024, 69% and 78%, respectively, of total revenue recognized by the Council is attributed to federal monetary sources.

#### Note 5 - Liquidity and Availability

Financial assets available for general expenditures, that is, without donor restrictions or other designations limiting their use, within one year of the date of the statement of financial position, comprise the following as of June 30:

	<u>2025</u>	<u>2024</u>
<b>Financial Assets</b>		
Cash	\$ 415,975	\$ 334,409
Accounts receivable	1,325,588	1,607,898
Promises to give - current	-	20,445
Restricted cash	<u>335,566</u>	<u>421,723</u>
<b>Total Financial Assets</b>	<b>2,077,129</b>	<b>2,384,475</b>
<b>Less Amounts that are Internally Designated or Externally Restricted</b>		
Donor-imposed restrictions (refer to Note 10)	<u>(335,566)</u>	<u>(442,168)</u>
<b>Financial Assets Available to be Used within One Year</b>	<b><u>\$ 1,741,563</u></b>	<b><u>\$ 1,942,307</u></b>

As part of the Council's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due.

The Council also has lines of credit available to meet short-term needs (refer to Notes 7 and 15).

## Community Progress Council, Inc.

### Notes to Financial Statements

June 30, 2025 and 2024

#### Note 6 - Property and Equipment

Property and equipment consist of the following as of June 30:

	<u>2025</u>	<u>2024</u>
Equipment	\$ 1,777,084	\$ 1,848,453
Buildings and improvements	436,419	436,419
Leasehold improvements	335,999	335,999
Land *	6,309	6,309
	<u>2,555,811</u>	<u>2,627,180</u>
Accumulated depreciation	<u>(1,571,111)</u>	<u>(1,490,261)</u>
	<u>\$ 984,700</u>	<u>\$ 1,136,919</u>

\* Not depreciated

#### Note 7 - Lines of Credit

The Council has a revolving line of credit with ACNB Bank (formerly, Traditions Bank), which provides for borrowings up to \$1,200,000. Interest is charged at the highest prime rate published in the Wall Street Journal, which was 7.50% and 8.50% as of June 30, 2025 and 2024, respectively. There were no borrowings against the line of credit as of June 30, 2025 and 2024. The line of credit was terminated subsequent to June 30, 2025.

The Council also has a contingent line of credit with ACNB Bank, which provides for borrowings up to \$2,000,000. Interest is charged at the bank's prime rate, which was 7.50% and 8.50% as of June 30, 2025 and 2024, respectively. There were no borrowings against the line of credit as of June 30, 2025 and 2024. The line of credit was terminated subsequent to June 30, 2025.

Lines of credit include an agreement that also contains restrictive covenants which, among other things, requires the Council to maintain a minimum debt service coverage ratio. For the year ended June 30, 2025, the Council was not in compliance with the covenant; however, ACNB Bank waived the covenant.

#### Note 8 - Refundable Advances

Refundable advances represent funds received by the Council associated with conditional contributions or grants that must be returned if certain conditions are not met. Refundable advances consist of the following at June 30:

	<u>2025</u>	<u>2024</u>
Head Start Supplemental Assistance Program	\$ 211,424	\$ -
Pennsylvania Housing Finance Agency - Housing Counseling and Education program	148,194	145,931
Other deposits and advances	41,782	32,206
York County, Pennsylvania - Emergency Rental Assistance	-	40,500
	<u>\$ 401,400</u>	<u>\$ 218,637</u>

## Community Progress Council, Inc.

### Notes to Financial Statements

June 30, 2025 and 2024

#### Note 9 - Leases

The Council leases facilities under long-term operating lease agreements that have initial terms ranging from three to five years. When leases include one or more options to renew, the options to extend or renew a lease are included in the lease terms when it is reasonably certain that the Council will exercise that option. Additionally, certain leases contain termination options, where the rights to terminate are held by either the Council, the lessor, or both parties. The Council's leases generally do not contain any material restrictive covenants or residual value guarantees. The leases require monthly payments with various maturity dates. The Council is also responsible for common area maintenance fees (CAM) for certain leases. Fixed payments related to long-term operating lease agreements amounted to \$115,591 and \$115,193 for the years ended June 30, 2025 and 2024, respectively. The Council uses the applicable risk-free rate as the discount rate for its real estate leases.

The Council also has operating lease agreements for facilities on a short-term basis. These leases are considered short-term in nature.

The Council does not have any finance lease agreements.

In addition to the leases discussed above, the Council also has various lease agreements with local schools and churches for Head Start facilities, which require either no or significantly reduced rent payments. The fair market value of the donated rent is included in rent expense on the statement of functional expenses - by natural classification. The fair market value of the donated rent has been recorded by the Council as an in-kind contribution (refer to Note 11). The leases renew annually, unless otherwise provided.

Operating lease cost is recognized on a straight-line basis over the lease term. The components of lease cost are as follows for the years ended June 30:

	<u>2025</u>	<u>2024</u>
Operating lease cost	\$ 117,053	\$ 117,053
Short-term lease cost	121,417	119,960
CAM charges	<u>20,627</u>	<u>32,444</u>
<b>Total Lease Cost</b>	<b><u>\$ 259,097</u></b>	<b><u>\$ 269,457</u></b>
<b>Weighted-Average Remaining Lease Term</b>		
Operating leases	<b>2.54 Years</b>	3.49 Years
<b>Weighted-Average Discount Rate</b>		
Operating leases	<b>3.48%</b>	3.45%

Total rent expense and CAM charges are included in rent, repairs and maintenance, and real estate taxes on the statement of functional expenses - by natural classification.

## Community Progress Council, Inc.

### Notes to Financial Statements

June 30, 2025 and 2024

#### Note 9 - Leases (continued)

Assuming no change in current terms, future undiscounted cash flows and a reconciliation to the lease liabilities recognized on the statement of financial position are as follows as of and for the remaining three years ending June 30:

2026	\$	116,617
2027		99,436
2028		65,931
<b>Total Lease Payments</b>		<b>281,984</b>
Imputed interest		(12,032)
<b>Total Present Value of Lease Liabilities</b>	<b>\$</b>	<b>269,952</b>
Current portion of operating lease liability	\$	109,228
Long-term portion of operating lease liability		160,724
	<b>\$</b>	<b>269,952</b>

#### Note 10 - Net Assets with Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes or periods as of June 30:

	<u>2025</u>	<u>2024</u>
Subject to expenditure for a specified purpose		
Self-sufficiency	\$ 202,937	\$ 191,523
Housing	80,000	-
Transportation services	21,646	15,261
Early childhood education	27,005	-
Language access	3,338	3,338
Other client support	640	7,691
Contracted services	-	95,000
Building maintenance	-	55,000
Rent assistance	-	53,910
Subject to the passage of time		
Promises to give	-	20,445
	<b>\$ 335,566</b>	<b>\$ 442,168</b>

## Community Progress Council, Inc.

### Notes to Financial Statements

June 30, 2025 and 2024

#### Note 11 - In-kind Contributions

In-kind contributions meeting the requirements for recognition in the statements of activities and changes in net assets consist of the following for the years ended June 30:

	<u>2025</u>	<u>2024</u>
Donated rent	\$ 238,484	\$ 277,173
Donated supplies	<u>11,763</u>	<u>24,090</u>
	<u>\$ 250,247</u>	<u>\$ 301,263</u>

In-kind contributions by program consist of the following for the years ended June 30:

	<u>2025</u>	<u>2024</u>
Head Start program	\$ 238,144	\$ 276,493
Foster Grandparent program	<u>12,103</u>	<u>24,770</u>
	<u>\$ 250,247</u>	<u>\$ 301,263</u>

Donated rent recognized is comprised of donated classroom space primarily related to the Head Start program. The Council has various operating lease agreements with local schools and churches, which require either no or significantly reduced rent payments. There are no associated donor restrictions related to the donated rent. In valuing the donated rent, the Council estimated the fair value based on the fair rental value of comparable space as established by an independent appraisal of comparable space and facilities in the same locality.

Donated supplies recognized is comprised of donations of miscellaneous supplies for program services. There are no associated donor restrictions related to the donations. Donated supplies are reported at the estimated fair value based on the value that would be paid to purchase similar products.

In addition to the in-kind contribution amounts recorded in the financial statements, during the years ended June 30, 2025 and 2024, a substantial number of individual volunteers have donated significant amounts of time to the Council's programs and supporting services. These services do not meet the criteria for recognition as contributed services, and are not reflected on the accompanying financial statements.

#### Note 12 - Contingencies

The Council participates in federally assisted grant programs. These programs are subject to program compliance audits by the grantors or their respective oversight agencies. The Council is potentially liable for any expenses, which may be disallowed pursuant to the terms of these grant programs. Management is not aware of any material items of noncompliance, which would result in the disallowance of program expenses.

The Council is involved in a legal proceeding arising from activities in the ordinary course of business. Although it is not possible to presently determine the final outcome of this matter, management believes the aggregate liability, if any, will not have a material adverse effect on the Council's financial statements. There has been no provision for the potential loss recorded.

## **Community Progress Council, Inc.**

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### Notes to Financial Statements

June 30, 2025 and 2024

#### **Note 13 - Health Benefit Plan**

The Council has an agreement for a self-funded health insurance plan for employee benefits. The Council covers health care claims up to a maximum of \$45,000 per individual on an annual basis. The aggregate maximum exposure is adjusted based on the number of plan participants. The Council has purchased stop-loss coverage for claims exceeding the Council's individual liability. In accordance with the terms of the insurance program, the Council faces potential exposure, which could require additional payments if the program experiences significant adverse claims development; however, management is not aware of any need to fund additional amounts as of June 30, 2025.

#### **Note 14 - Retirement Plan**

The Council sponsors a 401(k) defined contribution plan. Employees who meet certain eligibility requirements are eligible to participate in the plan. Under the terms of the plan, eligible employees are entitled to contribute up to the maximum amount permitted by law. The Council makes matching contributions equal to 100% of an employee's salary deferral, up to a maximum of 3% of their eligible compensation. Additionally, at the discretion of the Board of Directors, the Council may make a discretionary profit sharing contribution to the plan. Employer contributions to the plan for the years ended June 30, 2025 and 2024 amounted to \$185,343 and \$186,574, respectively.

#### **Note 15 - Subsequent Events**

Management of the Council has evaluated subsequent events through January 6, 2026. This date is the date the financial statements were available to be issued. The following events subsequent to June 30, 2025 were noted:

In July 2025, the Council entered into a line of credit agreement with PNC Bank which provides for borrowings up to \$2,500,000. Interest on the line of credit will be charged at a floating rate equal to PNC Bank's prime rate minus 1.00%. The line of credit is uncollateralized.

In September 2025, the Council entered into a purchase agreement with an unrelated third party to purchase a property at a price of \$2,000,000.

Except as disclosed above and in Note 7, no other material events subsequent to June 30, 2025 were noted.

**Independent Auditor's Report on Internal Control Over  
Financial Reporting and on Compliance and Other Matters  
Based on an Audit of Financial Statements Performed in  
Accordance with *Government Auditing Standards***

To the Board of Directors  
Community Progress Council, Inc.  
York, Pennsylvania

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Community Progress Council, Inc. (the Council), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, changes in net assets, functional expenses - by natural classification, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated January 6, 2026.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Council's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control. Accordingly, we do not express an opinion on the effectiveness of the Council's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Council's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

RKL LLP

January 6, 2026  
York, Pennsylvania

## **Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance**

To the Board of Directors  
Community Progress Council, Inc.  
York, Pennsylvania

### **Report on Compliance for Each Major Federal Program**

#### ***Opinion on Each Major Federal Program***

We have audited Community Progress Council, Inc.'s (the Council) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Council's major federal programs for the year ended June 30, 2025. The Council's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Council complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

#### ***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Council and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Council's compliance with the compliance requirements referred to above.

### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Council's federal programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Council's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Council's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Council's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the Council's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

## ***Report on Internal Control over Compliance***

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

RKL LLP

January 6, 2026  
York, Pennsylvania

**Community Progress Council, Inc.**

Schedule of Expenditures of Federal Awards

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Assistance Listing Number	Pass-Through Grantor's #	Year Ended June 30, 2025			
			Accrued (Deferred) Revenue as of July 1, 2024	Federal Funds Received	Expenditures	Accrued (Deferred) Revenue as of June 30, 2025
<b>U.S. Department of Agriculture</b>						
Pass-Through Programs from						
Pennsylvania Department of Health						
Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)	10.557	4100093360	\$ 465,956	\$ 1,817,735	\$ 1,839,086	\$ 487,307
WIC Grants To States (WGS)	10.578	4100093360	-	928	928	-
Food Research and Action Center, Inc.						
Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)	10.557	Community Progress Council	268,854	377,769	108,915	-
Pennsylvania Department of Agriculture						
Farmer's Market Nutrition Program (FMNP)	10.572	4100094181	-	8,568	8,568	-
Pennsylvania Department of Education						
Child and Adult Care Food Program	10.558	300671380	<u>27,086</u>	<u>257,194</u>	<u>293,808</u>	<u>63,700</u>
<b>Total U.S. Department of Agriculture</b>			<u>761,896</u>	<u>2,462,194</u>	<u>2,251,305</u>	<u>551,007</u>
<b>U.S. Department of Housing and Urban Development</b>						
Pass-Through Programs from						
Pennsylvania Housing Finance Agency						
Housing Counseling Assistance Program	14.169	HC-24-03-41005	<u>-</u>	<u>11,700</u>	<u>11,700</u>	<u>-</u>
<b>Total U.S. Department of Housing and Urban Development</b>			<u>-</u>	<u>11,700</u>	<u>11,700</u>	<u>-</u>
<b>U.S. Department of the Treasury</b>						
Pass-Through Programs from						
York County, Pennsylvania						
Emergency Rental Assistance Program	21.023	06110000-540353	<u>(40,500)</u>	<u>6,728</u>	<u>40,500</u>	<u>(6,728)</u>
<b>Total U.S. Department of the Treasury</b>			<u>(40,500)</u>	<u>6,728</u>	<u>40,500</u>	<u>(6,728)</u>

**Community Progress Council, Inc.**

Schedule of Expenditures of Federal Awards (continued)

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Year Ended June 30, 2025					
	Assistance Listing Number	Pass-Through Grantor's #	Accrued (Deferred) Revenue as of July 1, 2024	Federal Funds Received	Expenditures	Accrued (Deferred) Revenue as of June 30, 2025
<b>U.S. Department of Health and Human Services</b>						
<b>Head Start Cluster</b>						
Head Start and Early Head Start	93.600	03CH012642-01-04	\$ 81,291	\$ 4,769,172	\$ 4,687,881	\$ -
Head Start and Early Head Start	93.600	03CH012642-02-00	-	138,310	415,508	277,198
Head Start and Early Head Start	93.600	03CH010934-05-00	42,457	42,457	-	-
Head Start and Early Head Start	93.600	03CH010643-06-01	332,008	351,857	19,849	-
<b>Total Head Start Cluster</b>			<u>455,756</u>	<u>5,301,796</u>	<u>5,123,238</u>	<u>277,198</u>
<b>Other Programs</b>						
Pass-Through Programs from Pennsylvania Department of Community and Economic Development Community Services Block Grant	93.569	C000082095	186,712	1,043,150	1,069,554	213,116
Pennsylvania Department of Health HIV Care Formula Grants	93.917	Community Progress Council	-	1,000	1,000	-
<b>Total Other Programs</b>			<u>186,712</u>	<u>1,044,150</u>	<u>1,070,554</u>	<u>213,116</u>
<b>Total U.S. Department of Health and Human Services</b>			<u>642,468</u>	<u>6,345,946</u>	<u>6,193,792</u>	<u>490,314</u>
<b>Corporation for National and Community Services</b>						
<b>Foster Grandparent/Senior Companion Cluster</b>						
Foster Grandparent Program	94.011	22SFBPA004	29,193	336,951	311,008	3,250
<b>Total Foster Grandparent/Senior Companion Cluster</b>			<u>29,193</u>	<u>336,951</u>	<u>311,008</u>	<u>3,250</u>
<b>Total Corporation for National and Community Services</b>			<u>29,193</u>	<u>336,951</u>	<u>311,008</u>	<u>3,250</u>
<b>Social Security Administration</b>						
Pass-Through Programs from Pennsylvania Department of Labor and Industry Social Security Disability Insurance	96.001	Community Progress Council	-	321	321	-
<b>Total Social Security Administration</b>			<u>-</u>	<u>321</u>	<u>321</u>	<u>-</u>
<b>Total Expenditures of Federal Awards</b>			<u>\$ 1,393,057</u>	<u>\$ 9,163,840</u>	<u>\$ 8,808,626</u>	<u>\$ 1,037,843</u>

## **Community Progress Council, Inc.**

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### Notes to Schedule of Expenditures of Federal Awards

Year Ended June 30, 2025

#### **Note 1 - Basis of Presentation**

The accompanying schedule of expenditures of federal awards (Schedule) includes the federal grant activity of Community Progress Council, Inc. (the Council) under programs of the federal government for the year ended June 30, 2025. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Council, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Council.

#### **Note 2 - Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, where certain types of expenditures are not allowed or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

#### **Note 3 - Indirect Cost Rate**

The Council has elected not to use the ten-percent de minimis indirect cost rate allowed under the Uniform Guidance.

**Community Progress Council, Inc.**

Schedule of Findings and Questioned Costs  
Year Ended June 30, 2025

**Section I - Summary of Auditor's Results**

***Financial Statements***

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with U.S. GAAP:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

yes  no

Significant deficiency(ies) identified?

yes  none reported

Noncompliance material to financial statements noted?

yes  no

***Federal Awards***

Internal control over major federal programs:

Material weakness(es) identified?

yes  no

Significant deficiency(ies) identified?

yes  none reported

Type of auditor's report issued on compliance for major programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

yes  no

Identification of major federal programs:

<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
93.600	Head Start

Dollar threshold used to distinguish between Type A and Type B programs

\$750,000

Auditee qualified as low-risk auditee

yes  no

**Community Progress Council, Inc.**

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Schedule of Findings and Questioned Costs (continued)

Year Ended June 30, 2025

**Section II - Financial Statement Findings**

No findings are reported.

**Section III - Federal Award Findings and Questioned Costs**

No findings are reported.

**Community Progress Council, Inc.**

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Summary Schedule of Prior Year Findings and Questioned Costs  
Year Ended June 30, 2025

**Section II - Financial Statement Findings Related to June 30, 2024**

No findings are reported.

**Section III - Federal Awards Findings and Questioned Costs Related to June 30, 2024**

No findings are reported.